

STATEMENT OF SCOPE

REAL ESTATE EXAMINING BOARD

Rule No.: REEB 13

Relating to: Out-of-state broker cooperative agreements

Rule Type: Both Permanent and Emergency

1. Finding/nature of emergency (Emergency Rule only):

The Real Estate Examining Board finds that an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety or welfare.

2013 Wisconsin Act 259 creating s. 452.137 relating to cooperation with out-of-state brokers and salespersons, as well as the rule-making authority, became effective on January 1, 2015.

Without the rules in place addressing the cooperative agreement form and terms, there will be confusion for brokers, both in-state and out-of-state, as to what needs to be contained in such an agreement. In order to protect the public safety of those involved in real estate transactions, the Board is seeking to write emergency rules.

2. Detailed description of the objective of the proposed rule:

The objective of the proposed rule is to establish the form and terms of the cooperative agreement.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

2013 Wisconsin Act 259 created the ability for out-of-state brokers to enter into a cooperative agreement with a Wisconsin licensed broker. The board will establish the terms of the cooperative agreement to include the statutory terms. In addition, the board is proposing a policy that the cooperative agreement be in written form and require usage of a real estate practice form approved by the real estate forms committee and board.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

15.08 (5) (b) Each examining board shall promulgate rules for its own guidance and for the guidance of the profession to which it pertains, and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular trade or profession.

452.137 (4) (a) The board shall, by rule, establish the form and terms of the cooperative agreement.

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

125 hours

6. List with description of all entities that may be affected by the proposed rule:

Real estate brokers and people buying and/or selling property

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

None

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

None to minimal economic impact. It is not likely to have a significant economic impact on small businesses.

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